SBS TRANSIT LTD
Company Registration No: 199206653M

Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2010

The Board of Directors announces the audited results of the Group for the year ended 31 December 2010.

1 GROUP INCOME STATEMENT

	Group		
	Full Year 2010	**Full Year 2009**	**Incr/ (Decr)**
	$'000	**$'000**	**%**
Revenue	720,880	697,083	3.4
Staff costs	(292,780)	(289,113)	1.3
Repairs and maintenance	(89,703)	(92,500)	(3.0)
Fuel and electricity costs	(134,091)	(121,401)	10.5
Premises costs	(32,720)	(30,356)	7.8
Depreciation expense	(47,375)	(40,483)	17.0
Other operating expenses	(59,492)	(61,027)	(2.5)
Total operating expenses	(656,161)	(634,880)	3.4
Operating profit	64,719	62,203	4.0
Net income from investments	565	808	(30.1)
Finance costs	(400)	-	NM
Share of profit in associate	144	319	(54.9)
Profit before taxation	65,028	63,330	2.7
Taxation	(10,750)	(8,718)	23.3
Profit attributable to shareholders	54,278	54,612	(0.6)

NM - Not meaningful

Certain comparative figures have been reclassified to conform to current year's presentation.

2 STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2010 $'000	31 Dec 2009 $'000	31 Dec 2010 $'000	31 Dec 2009 $'000
ASSETS				
Current assets				
Short-term deposits and bank balances	67,063	6,057	67,063	6,057
Trade receivables	9,398	8,481	9,398	8,481
Other receivables and prepayments	44,944	32,191	44,944	32,191
Inventories	29,144	30,598	29,144	30,598
Total current assets	150,549	77,327	150,549	77,327
Non-current assets				
Associate	-	1,587	-	1,280
Available-for-sale investments	10,790	15,320	10,790	15,320
Vehicles, premises and equipment	535,832	491,704	535,832	491,704
Total non-current assets	546,622	508,611	546,622	508,304
Total assets	697,171	585,938	697,171	585,631
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	129,200	135,272	129,200	135,272
Trade payables for buses	16,588	43,315	16,588	43,315
Deposits received	1,658	1,549	1,658	1,549
Insurance premiums payable and provision for accident claims	34,418	35,321	34,418	35,321
Fuel price equalisation account	19,992	-	19,992	-
Income tax payable	320	2,627	320	2,627
Total current liabilities	202,176	218,084	202,176	218,084
Non-current liabilities				
Borrowings	100,000	-	100,000	-
Deposits received	3,067	2,397	3,067	2,397
Deferred tax liabilities	42,831	30,772	42,831	30,772
Provision for service benefits and long service awards	12,538	12,509	12,538	12,509
Fuel price equalisation account	19,992	34,075	19,992	34,075
Total non-current liabilities	178,428	79,753	178,428	79,753
Capital and reserves				
Share capital	92,973	92,310	92,973	92,310
Capital reserves	1,867	1,391	1,867	1,391
Accumulated profits	221,727	194,400	221,727	194,093
Total equity	316,567	288,101	316,567	287,794
Total liabilities and equity	697,171	585,938	697,171	585,631

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	31 Dec 2010 $'000	31 Dec 2009 $'000
Unsecured		
Amount repayable after one year	100,000	-

Details of any collateral

Not applicable.

4 GROUP CASH FLOW STATEMENT

	Group	
	Full Year 2010	Full Year 2009
	$'000	$'000
Operating activities		
Profit before taxation	65,028	63,330
Adjustments for:		
Depreciation expense	47,375	40,483
Fuel price equalisation account	5,909	-
Finance costs	400	-
Share-based payment expense	182	319
Net loss on disposal of held-for-trading investments	-	5
Net gain on fair value changes of held-for-trading investments	-	(1)
Gain on disposal of available-for-sale investments	(30)	-
Net gain on disposal of vehicles and equipment	(587)	(1,828)
Interest income	(535)	(812)
Share of profit in associate	(144)	(319)
Operating cash flows before movements in working capital	117,598	101,177
Changes in working capital	(45,597)	54,273
Cash generated from operations	72,001	155,450
Income tax paid	(998)	(1,302)
Net cash from operating activities	71,003	154,148
Investing activities		
Interest received	664	1,352
Proceeds from disposal of:		
Vehicles and equipment	1,123	1,866
Available-for-sale investments	5,030	5,000
Proceed from divestment of associate	1,731	-
Purchase of vehicles, premises and equipment	(91,982)	(164,262)
Net cash used in investing activities	(83,434)	(156,044)
Financing activities		
Proceeds from share issue	610	-
Proceeds from long-term loans	100,000	-
Interest paid	(99)	-
Dividends paid	(27,088)	(24,925)
Others	14	25
Net cash from (used in) financing activities	73,437	(24,900)
Net increase (decrease) in cash and cash equivalents	61,006	(26,796)
Cash and cash equivalents at beginning of year	6,057	32,853
Cash and cash equivalents at end of year	67,063	6,057

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		
	Full Year 2010	Full Year 2009	Incr/ (Decr)
	$'000	$'000	%
Profit attributable to shareholders	54,278	54,612	(0.6)
Fair value gain on available-for-sale investments	470	822	(42.8)
Total comprehensive income attributable to shareholders	54,748	55,434	(1.2)

6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2010:

	Group			
	Attributable to shareholders of the Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 January 2009	92,310	263	164,675	257,248
Total comprehensive income for the year	-	822	54,612	55,434
Recognition of share-based payments	-	319	-	319
Payment of dividends	-	-	(24,925)	(24,925)
Others	-	(13)	38	25
Balance at 31 December 2009	92,310	1,391	194,400	288,101
Total comprehensive income for the year	-	470	54,278	54,748
Recognition of share-based payments	-	182	-	182
Exercise of share options	663	(53)	-	610
Payment of dividends	-	-	(27,088)	(27,088)
Others	-	(123)	137	14
Balance at 31 December 2010	92,973	1,867	221,727	316,567

Statement of Changes in Equity of the Company for the year ended 31 December 2010:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 January 2009	92,310	263	164,687	257,260
Total comprehensive income for the year	-	822	54,293	55,115
Recognition of share-based payments	-	319	-	319
Payment of dividends	-	-	(24,925)	(24,925)
Others	-	(13)	38	25
Balance at 31 December 2009	92,310	1,391	194,093	287,794
Total comprehensive income for the year	-	470	54,585	55,055
Recognition of share-based payments	-	182	-	182
Exercise of share options	663	(53)	-	610
Payment of dividends	-	-	(27,088)	(27,088)
Others	-	(123)	137	14
Balance at 31 December 2010	92,973	1,867	221,727	316,567

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the quarter, 187,500 new ordinary shares were issued by the Company upon the exercise of options granted under the SBS Transit Share Option Scheme.

As at 31 December 2010, the total number of issued shares was 308,106,016 (31 December 2009: 307,720,516).

Outstanding Shares - SBS Transit Share Option Scheme

As at 31 December 2010, there were unexercised options for 10,124,000 (31 December 2009: 11,877,500) of unissued ordinary shares under the SBS Transit Share Option Scheme.

8 AUDIT

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

9 AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBS TRANSIT LTD

Report on the Financial Statements

We have audited the financial statements of SBS Transit Ltd (the "Company") and its subsidiary (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2010, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Kee Cheng Kong, Michael
Partner

Singapore
11 February 2011

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2009.

In this current financial year, the Group has adopted all the revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The adoption of these revised FRSs has no material effect on the amounts reported for the current or prior years.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12 GROUP EARNINGS PER ORDINARY SHARE AND EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

Earnings per ordinary share

	Group	
	2010	**2009**
Earnings per ordinary share for the year based on profit attributable to shareholders:-		
(i) Based on the weighted average number of ordinary shares in issue	17.63 cents	17.75 cents
(ii) On a fully diluted basis	17.61 cents	17.74 cents

EBITDA

	Group	
	2010	**2009**
(i) EBITDA ($'000)	112,094	102,686
(ii) EBITDA margin (%)	15.5	14.7

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2010	**31 Dec 2009**	**31 Dec 2010**	**31 Dec 2009**
Net asset value per ordinary share based on issued share capital at the end of the year	103 cents	94 cents	103 cents	94 cents

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of $720.9m for 2010 increased by 3.4% or $23.8m from $697.1m in 2009 while group operating expenses of $656.2m increased by 3.4% or $21.3m from $634.9m in 2009.

Group operating profit of $64.7m for 2010 was 4.0% or $2.5m higher than that of $62.2m in 2009.

Net income from investments of $0.6m for 2010 was 30.1% or $0.2m lower than that of $0.8m in 2009 due mainly to lower interest income on investments.

Finance costs of $0.4m for 2010 was due mainly to the issuance of $100.0m Medium-Term-Notes (MTN).

Consequently, Group profit before tax for 2010 of $65.0m was 2.7% or $1.7m higher than that of $63.3m in 2009.

Taxation for 2010 of $10.7m was higher by 23.3% or $2.0m due mainly to lower non-taxable receipts and the one-off write-back of taxation of $1.2m in 2009 following the reduction in corporate tax rate from 18.0% to 17.0%.

Group profit attributable to shareholders of the Company for 2010 of $54.3m was 0.6% or $0.3m lower than that of $54.6m in 2009.

A segmental breakdown by business is provided under paragraph 19.

Revenue from Bus Operations for 2010 at $549.0m was higher by 0.6% or $3.0m due mainly to the increase in average daily ridership of 4.0% offset by lower average fares with the implementation of Distance Fares as compared to 2009. Operating profit for 2010 of $14.9m decreased by 33.5% or $7.5m from $22.4m in 2009 due mainly to higher depreciation expense, higher fuel cost, higher premises costs and higher staff costs, offset by lower repairs and maintenance costs and lower other operating expenses.

Revenue from Rail Operations for 2010 at $121.7m increased by 11.5% or $12.5m from $109.2m in 2009. Average daily ridership for the North-East Line and the two light rail transit systems went up by 16.4% and 12.2% respectively as compared to 2009. Average fares were however lower. Operating profit for 2010 of $17.5m was better by 30.7% or $4.1m as compared to $13.4m in 2009 due mainly to higher rail fare revenue and lower premises costs, offset by higher electricity cost and higher repairs and maintenance costs.

Revenue from Advertisement Business for 2010 was higher by 32.9% or $9.0m to $36.3m as compared to 2009 and operating profit increased by 36.9% or $5.9m to $22.0m in 2010 due mainly to advertisements secured from a few major one-off events, offset by higher advertising costs.

Revenue from Rental Business for 2010 decreased by 5.2% or $0.8m to $13.8m as compared to 2009 due mainly to lower income from roadshows at the interchanges. Operating profit for 2010 marginally decreased by 0.5% to $10.3m as compared to 2009.

Statement of Financial Position

As at 31 December 2010, total equity for the Group increased by 9.9% or $28.5m to $316.6m as compared to 31 December 2009 due mainly to the profits generated from operations, partially offset by the payment of dividends.

Group total assets increased by 19.0% or $111.2m to $697.2m due to an increase in current assets of $73.2m and non-current assets of $38.0m. The increase in current assets was due mainly to the increase in short-term deposits and prepayments. The increase in non-current assets was due mainly to the purchase of buses, partially offset by the disposal of available-for-sale investments and the divestment of interest in associate.

Group total liabilities increased by 27.8% or $82.8m to $380.6m due to an increase in non-current liabilities by $98.7m, partially offset by the decrease in current liabilities by $15.9m. The increase in non-current liabilities was due mainly to long-term loans raised and the increase in deferred tax liabilities, partially offset by the partial reclassification of fuel price equalisation account to current liabilities. The decrease in current liabilities was due mainly to the decrease in trade payables for buses and other payables, partially offset by the movement in fuel price equalisation account.

Cash Flow

Net cash inflow of $61.0m for 2010 arose mainly from proceeds from the MTN and net cash generated from operations, partially offset by the purchase of buses and the payment of dividends.

Group cash and cash equivalents as at 31 December 2010 was $67.1m. If the available-for-sale investments were included, the cash position as at 31 December 2010 would be $77.9m.

15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Bus and Rail riderships are expected to increase in line with the positive economic outlook. Advertising revenue is expected to be lower without the benefit of several significant one-off events in 2010. Rental revenue is expected to be maintained.

Staff costs are expected to be higher due to salary increment, the increase in Central Provident Fund employer contribution rate and the cessation of the Jobs Credit savings. Fuel and Electricity costs are expected to be higher if the current price trend continues. With the renewal and expansion of the bus fleet, depreciation is expected to increase.

17 DIVIDEND

(a) Current Financial Period Reported On

Proposed final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.30 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.50 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Declared final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.30 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.50 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The Directors have proposed a tax-exempt one-tier final dividend of 4.30 cents per ordinary share. The final dividend, if approved by the shareholders at the Eighteenth Annual General Meeting of the Company to be held on 26 April 2011, will be payable on 13 May 2011.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 4 May 2011 for the purposes of determining shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to 5.00pm on 3 May 2011 will be registered before shareholders' entitlements to the final dividend are determined.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00pm on 3 May 2011 will be entitled to the proposed final dividend.

18 IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT.

Not applicable.

19 GROUP SEGMENTAL INFORMATION

By Business Activity

	Bus	Rail	Advertise-ments	Rental	Total
	$'000	$'000	$'000	$'000	$'000
Full Year 2010					
Revenue	549,017	121,724	36,312	13,827	720,880
Results					
Segment results	14,884	17,462	22,036	10,337	64,719
Net income from investments					565
Finance costs					(400)
Share of profit in associate					144
Profit before taxation					65,028
Taxation					(10,750)
Profit after taxation					54,278
Full Year 2009					
Revenue	545,995	109,182	27,321	14,585	697,083
Results					
Segment results	22,367	13,356	16,095	10,385	62,203
Net income from investments					808
Share of profit in associate					319
Profit before taxation					63,330
Taxation					(8,718)
Profit after taxation					54,612

20 BREAKDOWN OF REVENUE

	Group		
	2010	2009	Incr/ (Decr)
	$'000	$'000	%
(a) Revenue reported for first half year	354,464	348,520	1.7
(b) Operating profit after tax before deducting minority interests reported for first half year	31,263	32,316	(3.3)
(c) Revenue reported for second half year	366,416	348,563	5.1
(d) Operating profit after tax before deducting minority interests reported for second half year	23,015	22,296	3.2

21 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	2010 $'000	2009 $'000
Ordinary shares (tax-exempt one-tier)		
- Interim	13,856	13,847
- Final (proposed)	13,249	13,232
Total	27,105	27,079

22 INTERESTED PERSON TRANSACTIONS

The Company does not have any Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

11 February 2011